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DEPT PASS TO SOUTH AFRICAN DEVELOPMENT COMMUNITY

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SUBJECT: CHINA SPURS INDIA TO REVITALIZE TIES TO AFRICA

¶1. (SBU) SUMMARY: India will host the India-Africa Summit April 8 to April 9 in New Delhi, having extended invitations to leaders of fourteen AU nations and representatives of eight Africa-centric multilateral fora. The GOI seeks to partner with African nations in key areas including technology, infrastructure, pharmaceuticals, and human resource development through expanded bilateral relations. India's desire to cultivate stronger African relations is likely driven by more realpolitik considerations, including competition with China for regional influence, access to African natural resources, and leveraging influence for the GOI's bid for a permanent seat on the UN Security Council. END SUMMARY.

INVITATION BY DESIGN

¶2. (SBU) At the 10th Africa Union summit on February 2, 2008, Indian Minister of State for External Affairs (MEA) Anand Sharma invited African leaders to attend the first Indo-Africa Summit in New Delhi, April 8 to 9. Invitations were extended to Algeria, Burkina Faso, Democratic Republic of Congo (DROC), Egypt, Ethiopia, Ghana, Kenya, Libya, Nigeria, Senegal, South Africa, Tanzania, Uganda, and Zambia. Invitations were also extended to representatives of African regional groupings including Economic Community of West African States (ECOWAS), South Africa Development community (SADC), Common Market for Eastern and Southern Africa (COMESA), and the African Union (AU). According to MEA, the summit's key role will be in partnering India and African nations in technology, infrastructure development, pharmaceuticals, and human resource development.

- In technology, India seeks to capitalize and expand the Indian Technical and Economic Cooperation (ITEC) program begun in 1964. Through ITEC, India has provided more than USDols 2 billion in technical assistance to developing countries around the world.

- In infrastructure development, India desires to capture both the information technology infrastructure market and traditional road and industry infrastructure markets. Indian corporations, especially India's dominant IT sector, are already poised to take advantage of these markets as a by-product of the ITEC program. TATA Communications of India is poised to make significant gains in the telecommunications sector throughout Africa.

- In pharmaceuticals, India seeks to expand joint development and distribution of Indian generic AIDS medications, and other drugs (malaria, polio) to African nations. Indian pharma-firms Cipla and Ranbaxy were among the first to sign contracts with Nigeria for production of generic AIDS medications, with additional joint

ventures in South Africa and Kenya being completed.

- In human resource development, the ITEC program has trained 14,000 African workers in small scale plastics and textile manufacturing, and medical services, among other areas. Increased training programs, cultural and student exchanges, and business training, will continue to baseline this effort.

All of these efforts are focused on increasing Indo-Africa trade, which currently stands at USDols 25 billion according to 2006-2007 industry figures.

¶3. (SBU) The choice of invitees appears to be a combination of history, economics and realpolitik. The nations invited each possess large mineral or energy resources vital to continued Indian economic growth, to include oil and natural gas (Libya, Nigeria, DROC, Egypt, Algeria); uranium (S. Africa, Nigeria, Uganda, Zambia, DROC, Burkina Faso); copper, cobalt, and cement (DROC, Zambia, Ethiopia). With other nations, such as Senegal, India seeks to solidify a strong existing relationship. India is Senegal's largest trading partner, receiving 28 percent of Senegal's exports, to include calcium phosphate, a component in agricultural fertilizers, a product which has taken on sensitive domestic political overtones in India.

CHINESE ADVANCES PROD INDIA TO ACT

¶4. (SBU) Indo-African relations suffered from benign neglect beginning in 1991, with India seeking stronger ties with the US and EU and relying on its leadership of the Non-Aligned Movement (NAM) and historic ties to maintain relations in Africa. However, Indian foreign policy re-focused on Africa in 2005 after India lost several trade contracts to China for resources in West Africa and Angola,

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and then witnessed China sign economic packages worth USDols 50 billion with 43 African nations at the China-Africa Summit in November 2006.

THIRD TIME IS A CHARM

¶5. (SBU) The India-Africa Summit is the third effort to strengthen Indo-African relations after the "Focus Africa Program" of 2002 and "Team 9" program of 2004. According to a professor at Jawaharlal Nehru University Center for West Asia and African Studies, India's "Focus Africa Program" and "Team 9" strategy achieved limited success due to limited scope and commitment. The Focus Africa Program, directed by the GOI Ministry of Commerce, included Nigeria, South Africa, Mauritius, Kenya, Ethiopia, Tanzania and Ghana and was specifically oriented towards increasing Indian exports to African nations. The Team-9 strategy of 2004, coordinated by MEA, included Burkina Faso, Chad, Cote d'Ivoire, Equatorial Guinea, Ghana, Guinea Bissau, Mali, and Senegal. The Team-9 program was underlined with USDols 500 million in Indian foreign aid assistance intended to increase bilateral trade, development, and regional cooperation, but resulted in more aid than assistance.

¶6. (SBU) By comparison, the Indo-African summit echoes the Chinese-African summit and is more broadly organized to include education, business and policy communities in a focused effort to tie multiple stakeholders together. India held an initial business summit sponsored by the Confederation of Indian Industry March 19 to March 21, 2008 bringing together representatives of 33 African nations to discuss potential Indo-African trade deals amounting to USDols 10 billion. A scholars' forum co-sponsored by the Indian Council of World Affairs (ICWA) and the African Studies Association of India is scheduled for April 2 to April 3, 2008 concentrating on increased academic, cultural, and student exchanges. Given the lack of success and support for previous programs, Indian academic and business communities share a common concern that the enthusiasm for the Indo-African summit goals will quickly wane as each side tries to translate words into actions.

INVESTED LEADERSHIP

¶7. (SBU) Perhaps to address concerns over the long term prospects of the summit, the GOI has made a clear indication of intent by appointing MEA Minister of State Anand Sharma, a political appointee, as the director of this current initiative. Sharma has a long history of involvement with Africa, beginning with his 1985 organization of the Non-Aligned Youth Conference to protest apartheid in South Africa. Since 1985, Sharma has been involved in numerous Indo-African events addressing mutual efforts to achieve food security, combating HIV/AIDS, sustaining economic development, and dealing with multi-racial tensions. Sharma was also involved in several Indo-African economic endeavors between 2002 and 2006, and is familiar with the history, as well as the strategic nature, of the Indo-Africa relationship. At least some African leadership appears to be committed to success of the summit as well: the Mozambique High Commissioner to India commented that India and Africa should continue working together in economic and development cooperation, and on UN reform, including expansion of the UN Security Council.

INDIA'S AFRICAN RELATIONS LESS EXPLOITIVE

¶8. (SBU) COMMENT: India's growing economy and realpolitik outlook make African resources a key ingredient for future Indian economic growth, amidst growing competition from China and the developed world. Retaining positive relations with African nations is an acknowledged necessity that India can no longer afford to neglect. India must balance its quest to secure resources for continued economic growth and compete with a rival China, while simultaneously maintaining the goodwill of Non-Aligned Movement nations to support India's bid to secure a permanent seat on the UN Security Council. However, as one former Ambassador expressed to Poloff, India will not follow the "China Model" of engagement in Africa, which he described as exchanging no-strings-attached development projects for access to the resources of the African continent. While Post does not expect this summit to alter India's current relations with Africa, it is a signal that India intends to play a larger role on the African continent vis-a-vis the attention of the Chinese.

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